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Attorney For Defendants and Counter-Claimants,
**Vegas Connection, a California Corporation, Omar
Awad, an individual, Jahangir Shahriari, an individual**

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
(Oakland Division)

DE SOL CORP., INC. a California
corporation

Plaintiff

vs.

Vegas Connection, Inc., a
California corporation; Omar
Awad, an individual; Jahangir
Shahriari, an individual,

Defendants.

Case No.: C07 4107

DECLARATION OF JAHANGIR
SHAHRIARI IN SUPPORT OF
DEFENDANTS' MOTION TO
TRANSFER FOR IMPROPER
VENUE [28 USC §1406(a)]; OR IN
THE ALTERNATIVE TO
TRANSFER FOR CONVENIENCE
[28 USC §1404(a)]

Date: December 18, 2007
Time: 1:00 p.m.
Location: Courtroom 3, 3rd Floor

I, JAHANGIR SHAHRIARI, declare as follows:

1. I currently am, and during all the times mentioned in this declaration was, one of the two owners, and President of Defendant VEGAS CONNECTION, INC. ("Vegas Connection").

2. I make this declaration in support of Defendants' Motion To Transfer For Improper Venue Or In The Alternative To Transfer For Convenience.

3. I am personally familiar with all matters that are the subject of this declaration and the facts set forth in this declaration are within my personal knowledge. If called as a witness, I would and could competently testify to all

DECLARATION OF JAHANGIR SHAHRIARI IN SUPPORT OF DEFENDANTS'
MOTION TO TRANSFER FOR IMPROPER VENUE OR IN THE
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1 facts stated herein.

2 4. I have custody and control of the business records of Defendants as
3 they relate to Plaintiff herein, and I am thoroughly familiar with the manner in
4 which these records are compiled. I have personal knowledge of the duties of
5 Defendants' employees and the record keeping method used by these employees
6 who, in addition to myself, are responsible for the business records as they relate
7 to the matters herein stated.

8 5. Defendants' business records referred to in this declaration were
9 prepared and kept by Defendants in the ordinary course of business. The entries
10 made in such business records were made at or near the time of the occurrences of
11 the events of which they are a record. The business records are, in all instances,
12 kept in a safe and secure location, and all of said business records were made by
13 persons who had a business duty to Defendants to make such records.

14 6. Defendants are in the business of buying and selling perishable
15 agricultural commodities. Defendants' only offices are located in Los Angeles,
16 California.

17 7. Defendants were approached in late December, 2006 by Roberto
18 Alvaro ("Alvaro"), Jose Antonio Gonzales ("Tony"), and Andres Perez
19 ("Boracho") and asked if Defendants would be interested in obtaining produce
20 from farmers in Mexico for resale through Defendants' business at the Los
21 Angeles Produce Market. Alvaro explained that in order to have access to said
22 produce, Defendants would have to agree to: 1) lease a separate warehouse and
23 receiving dock for the produce shipped from Mexico; and 2) employ Tony and
24 Boracho to receive, transport and sell the produce to Defendants' customers, and
25 then to collect the money for such sales from Defendants' customers. Defendants
26 agreed to this arrangement on the condition that Alvaro, Tony and Boracho agree
27 to credit the value of all produce that is either rejected or dumped to Vegas
28 Connection' account payable.

DECLARATION OF JAHANGIR SHAHRIARI IN SUPPORT OF DEFENDANTS'
MOTION TO TRANSFER FOR IMPROPER VENUE OR IN THE
ALTERNATIVE TO TRANSFER FOR CONVENIENCE

1 8. At no time between December, 2006 and early May, 2007 did Alvaro,
2 Tony, or Boracho ever divulge that they were associated in any way with a San
3 Francisco company named De Sol Corp. ("De Sol"). The first time Defendants
4 learned of the existence of a San Francisco company named De Sol was in early
5 May, 2007 when they first received an invoice from said company.

6 9. At no time between December, 2006 and early May, 2007 did Alvaro
7 or Tony ever explain that Alvaro was married to Tony's sister. Similarly, at no
8 time did Alvaro ever explain that they had previously engaged in any business
9 with Rey & Rey Produce, nor did Alvaro ever explain that he was involved in any
10 way in litigation with Rey & Rey Produce, said litigation having commenced via
11 the filing of an informal complaint with the United States Department of
12 Agriculture on December 21, 2006.

13 10. The first payment made by Defendants for any produce received was
14 made on January 12, 2007 in the form of a company check made payable to Alvaro
15 personally. Alvaro personally picked-up this check at Defendants' place of
16 business in Los Angeles.

17 11. Between January 19, 2007 and April 16, 2007, Defendants made all
18 payments (13 payments totaling \$527,078.46) for produce received from the
19 Mexican farmers by wiring the funds directly from Defendants' bank account at
20 Bank Of America to a Mr. Cruz Irene Zamora's bank account in Mexico (account
21 #4022771679).

22 12. The first invoice Defendants received from De Sol was in late April,
23 2007. On or about May 1, 2007 Defendants wrote the first check to De Sol Corp.
24 in the amount of \$32,381.83 and this check was handed to Tony at the request of
25 Alvaro.

26 13. The amount claimed by Plaintiff to be owed by Defendants
27 (\$151,181.77) is approximately twice the amount actually owed by Defendants to
28 Plaintiff. Defendants believe this discrepancy is the result of a scam, fraud and/or

1 conspiracy perpetrated by Plaintiff, Tony and Boracho in this matter.

2 14. I have reviewed the following two documents in detail: 1) The
3 Declaration Of Manuel Reynoso In Support Of Defendants' Opposition To
4 Plaintiff Ex Parte Application For Right To Attach Order; and 2) Respondent Rey
5 & Rey Produce SFO, Inc.'s Answer To Formal Complaint With Affirmative
6 Defenses And Counterclaim. Based on my review of these documents I am
7 convinced that the scam perpetrated by Alvaro against Rey & Rey Produce is the
8 identical scam perpetrated by Alvaro's brother-in-law Tony and his friend
9 Boracho against our company Vegas Connection.

10 15. Defendants believe that Alvaro, Tony and/or Boracho have also
11 forged and/or created false documents in our case as well. More specifically,
12 counsel for De Sol provided our counsel with four invoices (attached hereto as
13 Exhibit "A") dated 1/15/07, 3/4/07, 3/14/07 and 3/21/07 that Defendants have
14 never seen before. Defendants believe these invoices were created in order to trick
15 this court into believing that Defendants were doing business with De Sol prior to
16 early May, 2007. If Defendants had in fact received these invoices at or about the
17 dates they purport to have been created, Defendants would have written checks
18 directly to De Sol as Defendants did beginning in May, 2007.

19 16. More specifically, I believe that Tony and Boracho made purchases of
20 produce from De Sol Corp, Inc. and other sources without our knowledge or
21 consent and then resold these perishable commodities on behalf of Vegas
22 Connection to: 1) customers at prices far below the prices that Vegas Connection
23 had paid for the produce; 2) non-existent customers; 3) customers with no
24 intention of paying for the produce; and 4) customers that were in reality either
25 Plaintiff and/or his friends or relatives, once again with no intention of paying for
26 the produce, all done at the expense of Vegas Connection.

27 17. Tony and Boracho's self-dealing and unauthorized actions were done
28 with malice and in willful disregard for their duties and obligations to Vegas

1 Connection to act in good faith and in Vegas Connection's best interests as
2 employees of Vegas Connection. Furthermore, Tony and Boracho's actions were
3 an explicit breach of their fiduciary duties to Vegas Connection.

4 18. In addition, Tony and Boracho made unauthorized expenditures of
5 Vegas Connection's money, contracted with other parties without authorization,
6 and collected monies from Vegas Connection's customers without authorization
7 and without remitting these monies back to Vegas Connection once they obtained
8 it from Vegas Connection's customers.

9 19. Furthermore, the produce received by Vegas Connection was
10 defective in that they were not the kind, grade or quality that they had been
11 represented to be. It was only after a complete review of Tony and Boracho's
12 transactions that it became apparent that they had failed to obtain produce of the
13 quality and grade promised and also that Tony and Boracho had breached their
14 fiduciary duties to Vegas Connection, and had been self-dealing, resulting in great
15 loss to Vegas Connection.

16 20. Defendants are in the process of reconstructing each and every
17 transaction entered into between Tony/Boracho and Defendants' customers. In
18 order to do this, Defendants are contacting each of their customers and asking
19 them to produce documentation for all produce sold to them and all monies paid
20 by Vegas Connection's customers for the calendar year 2007. To date I have
21 spoken to numerous customers who claim to have paid money to Tony and/or
22 Boracho for produce received and yet there is no indication in our records that
23 such money was ever paid to Vegas Connection by Tony and/or Boracho. One of
24 these people is Mr. Artemio Gomez the owner of Mojica Store #2 and he resides in
25 Whittier, California, a suburb of Los Angeles, County. Another such person is
26 Serafin _____ and he resides in Los Angeles County.

27 21. I have also spoken with certain people who regularly worked in the
28 vicinity of the warehouse we leased for Tony and/or Boracho who will testify to

1 having seen Tony and/or Boracho discard large amounts of produce. This
2 revelation is particularly bothersome give that the documentation provided by
3 Tony and/or Boracho does not reflect the disposal of any produce. One of these
4 people is named Jose Palasios and he resides in Los Angeles, California. Another
5 such person is named Habib Balashka. and he resides in Los Angeles, California.

6 22. All of the witnesses we intend to call in this case, some of which are
7 our employees, all reside in Los Angeles County. It would not only be extremely
8 inconvenient, but also an extreme hardship for all of these witnesses to travel to
9 San Francisco to testify in this matter. Similarly, all of the transactions the form
10 the basis of this dispute transpired in Los Angeles County. For these reasons, a
11 trial in the Northern District of California would result in a clear imbalance of
12 inconvenience to these Defendants and their witnesses.

13 23. The only relationship this case has with San Francisco is the fact that
14 we received invoices from De Sol's San Francisco office and beginning in May,
15 2007 we began to ship produce to some of Alvaro's San Francisco customers. All
16 checks relating to these invoices were hand delivered to Tony at the request of
17 Alvaro. No checks were ever mailed to De Sol's San Francisco office.

18 24. Similarly, all of the accounting records and bank records are located
19 in Los Angeles County.

20 25. Finally, it would be in the interest of justice to consolidate this case
21 with the Rey & Rey matter in Los Angeles County once their motion to dismiss
22 has been adjudicated.

23 October __, 2007

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25 JAHANGIR SHAHRIARI
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